

## Message Text

LIMITED OFFICIAL USE

PAGE 01 CAIRO 10435 221432Z  
ACTION NEA-10

INFO OCT-01 ISO-00 AID-05 CIAE-00 COME-00 EB-07 FRB-03  
INR-07 NSAE-00 USIA-06 TRSE-00 XMB-02 OPIC-03  
SP-02 LAB-04 EPG-02 SIL-01 OMB-01 L-03 DODE-00  
PA-01 PRS-01 /059 W  
-----042485 221516Z /44  
R 221255Z JUN 77  
FM AMEMBASSY CAIRO  
TO SECSTATE WASHDC 6461

LIMITED OFFICIAL USE CAIRO 10435

E.O. 11652: N/A  
TAGS: EFIN EG  
SUBJ: GOE TAX REVISIONS: OVERSEAS INCOME TO BE EXEMPT

REF: (A) CAIRO 10352, (B) CAIRO 9863

1. CAIRO PRESS JUNE 22 FEATURES PROGRESS OF PEOPLES  
ASSEMBLY COMMITTEE ACTION ON TAX REFORM LEGISLATION (REFTEL A).  
PLAN AND BUDGET COMMITTEE REPORTEDLY HAS CONSIDERED AND  
APPROVED THREE DOZEN OR MORE (DEPENDING ON WHICH NEWSPAPER  
YOU READ) OF BILL'S ABOUT 184 ARTICLES (PA SECRETARIAT  
TELLS US THEY ARE NOT SURE OF EXACT NUMBER OF PROVISIONS UNDER  
CONSIDERATION). VARIOUS INCREASES AND DECREASES IN EXEMPTIONS  
AND RATES ARE LISTED, WITHOUT, HOWEVER, A SUMMATION OR OUTLINE  
OF LEGISLATION IN FINAL FORM AS YET.

2. MOST IMPORTANT DECISION APPARENTLY REACHED THUS FAR BY  
COMMITTEE, AFTER CONSIDERABLE DEBATE, IS THAT NO RPT NO TAXES  
SHOULD BE LEVIED ON EGYPTIANS WORKING ABROADWBWOYXKRING  
FACTOR ON THIS QUESTION REPORTEDLY WAS TESTIMONY OF MINSTATE FOR  
PARLIAMENTARY AFFAIRS MOHIE EL DINN WHO POINTED OUT DIFFICULTIES  
IN IMPOSING EQUITABLE TAX ON EXPATRIATES AND STRESSED  
IMPORTANCE OF REMITTANCES TO ECONOMY, ESPECIALLY  
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IN INVESTMENT FIELD. MINSTATE SUGGESTED STUDIES BE  
CARRIED OUT ON INVESTMENT PROJECTS SUITABLE FOR THIS  
SOURCE OF FUNDS AND NOTED THAT GOE IS CONSIDERING  
POSSIBILITIES TO ENCOURAGE EMPLOYMENT ABROAD OF ADDITIONAL  
EGYPTIANS. TAX EXEMPTION IS SEEN AS ONE MEANS TO  
ACCOMPLISH THIS END.

3. COMMENT: DR. MOHIE EL DIN'S POINT ON IMPORTANCE OF  
REMITTANCES IS WELL TAKEN. TOTAL VALUE IN 1976 WAS  
APPROX. \$700 MILLION, INCLUDING IMPORT OF GOODS THROUGH  
OWN-CURRENCY SYSTEM (SEE REF B). COMPLETION OF COMMITTEE  
AND ASSEMBLY ACTION ON BILL POSSIBLY WILL BE  
MORE EXPEDITIOUS THAN WE HAD EARLIER SPECULATED  
(REF A). COMMITTEE CHAIRMAN ABU ISMAIL HAS TOLD EMBOFFS  
HE DOES NOT OBJECT TO LEGISLATION AND EXPECTS "SMOOTH  
SAILING". OPPOSITION LEADER MURAD TELLS US HE DOES NOT  
AGREE ENTIRELY WITH BILL, BUT "PEOPLE NEED RELIEF".  
ABU ISMAIL SAID INCREASED EXEMPTION ON INCOME (NOT  
INCLUDING EXPATRIATE EXEMPTION) WILL COST GOE LE 36  
MILLION.  
EILTS

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** TAX RELIEF, INCOME TAXES  
**Control Number:** n/a  
**Copy:** SINGLE  
**Sent Date:** 22-Jun-1977 12:00:00 am  
**Decaption Date:** 01-Jan-1960 12:00:00 am  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 22 May 2009  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1977CAIRO10435  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D770223-0126  
**Format:** TEL  
**From:** CAIRO  
**Handling Restrictions:** n/a  
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**Legacy Key:** link1977/newtext/t19770632/aaaabbsg.tel  
**Line Count:** 76  
**Litigation Code IDs:**  
**Litigation Codes:**  
**Litigation History:**  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Message ID:** 2291e378-c288-dd11-92da-001cc4696bcc  
**Office:** ACTION NEA  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** 77 CAIRO 10352, 77 CAIRO 9863  
**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
**Review Content Flags:**  
**Review Date:** 03-Feb-2005 12:00:00 am  
**Review Event:**  
**Review Exemptions:** n/a  
**Review Media Identifier:**  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 2074663  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** GOE TAX REVISIONS: OVERSEAS INCOME TO BE EXEMPT  
**TAGS:** EFIN, EG  
**To:** STATE  
**Type:** TE  
**vdkgvkey:** odbc://SAS/SAS.dbo.SAS\_Docs/2291e378-c288-dd11-92da-001cc4696bcc  
**Review Markings:**  
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